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Summary record of the 17th meeting
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Chairman: Mr. MacKay ..... (New Zealand)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

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The meeting was called to order at 10.10 a.m.

Agenda item 114: Human resources management (*continued*) (A/58/283, A/58/666 and A/58/704; A/59/65 and Add.1, A/59/152, A/59/211, A/59/213 and Add.1, A/59/217, A/59/222, A/59/253, A/59/263 and Add.1 and 2, A/59/264, A/59/291, A/59/299, A/59/357, A/59/388 and A/59/446; A/C.5/58/L.13; A/C.5/59/4)

1. **Mr. Simancas** (Mexico) shared the views expressed by the representative of Qatar on behalf of the Group of 77 and China in particular with regard to the conversion of 300 series contracts to 100 series contracts, as well as the views of the delegations of Australia, Canada and New Zealand concerning the promotion of women and young people in the Secretariat. He would study closely the proposals made by the representative of Japan with regard to P-2 level Professional posts. He stressed that recruitment must be carried out in an efficient, transparent and rapid manner and that the principle of equitable geographical distribution must be respected. As for the idea of shortening application deadlines in order to accelerate recruitment, he was of the opinion that it was not the length of the deadline but rather the selection process which posed a problem. Finally, if the number of P-2 posts reserved for successful candidates from the G to P examination was increased, as suggested, it would be preferable to give priority to candidates from countries which were underrepresented.

2. **The Chairman**, recalling General Assembly resolution 35/213 and the decision taken by the Committee at its 13th meeting, invited the President of the United Nations Staff Union to make a statement.

3. **Ms. Waters** (President of the United Nations Staff Union) said that the reform measures undertaken over the past six years had had a profound and sometimes deleterious effect on the staff of the Organization. As the Under-Secretary-General for Management had pointed out to the Fifth Committee, the International Civil Service Commission (ICSC) could not reform itself; however, the United Nations management had been introducing reforms which increased managerial authority while diminishing accountability. The Staff Union had the greatest respect for the Secretary-General's vision for the Organization and had supported the goals of his reform programme. It could not, however, support the erosion of staff rights and the dissolution of oversight mechanisms as a means to implement that programme and could not continue legitimizing actions in which the staff, through their elected representatives, had no meaningful role to play.

4. A recent survey by an independent consultant commissioned by the Office of Internal Oversight Services (OIOS) on perceptions about integrity had revealed that the staff believed that not enough action was taken to investigate instances of unethical behaviour, that they feared reprisals if they exposed breaches of ethics and that they believed that the disciplinary process was applied unevenly. Their view of the integrity of senior managers was less than positive. Staff representatives had not been consulted on that matter and had not been asked to be involved in the extensive follow-up actions established by the Secretary-General.

5. The Secretary-General wished to ensure that the United Nations led by example and met the Global Compact standards. Far from being an example of corporate citizenship, the Organization failed to adhere to one of the fundamental principles of the Compact: upholding freedom of association and the effective recognition of the right to collective bargaining. Continued advocacy of ideals which the Organization did not practice would cause confusion among staff and embarrassment for the Organization.

6. The staff-management consultative process at the highest level had been suspended since April 2003, when all staff unions and associations of the Secretariat had withdrawn from participation in the Staff-Management Coordination Committee (SMCC). Shortly thereafter, in an unprecedented move, management had formally rescinded the release granted to officers of the Staff Committee in New York. That constituted direct interference in the internal affairs of a sovereign staff representative body as provided for under chapter VIII of the Staff Rules. Unfortunately, that had not been an isolated incident.

7. The absence of an independent internal judicial system placed the staff in a situation where their right to fair and impartial adjudication was compromised. The Staff Union would appreciate the opportunity to provide detailed comments on the subject when the agenda item on the administration of justice was being considered.

8. Staff representatives throughout the global Secretariat shared the view that there was a lack of

good faith in the consultative process. In resolution 57/307 on the administration of justice in the Secretariat, the General Assembly had requested the Secretary-General, in consultation with the Ombudsman and staff representatives to submit detailed proposals on the role and work of the Panel on Discrimination and Other Grievances. Management had, however, made no attempt to consult with the staff on that issue even after the staff representatives had submitted a proposal on their own initiative.

9. Too frequently, agreements reached at the Staff Management Coordination Committee (SMCC) were not implemented, only partially implemented, or delayed for years. In that regard, the Staff Union fully concurred with the opinion expressed by the Advisory Committee for Administrative and Budgetary Questions (ACABQ) in paragraph 10 of its report on human resources management (A/59/446). The Staff Union thanked ACABQ for allowing it to present its views on that important issue.

10. The staff representatives in New York had withdrawn from participation in the central review bodies in April 2003 because they believed there was no meaningful role for those bodies; they reviewed procedural matters only and basically endorsed the decisions of programme managers, thus serving only to legitimize the staff selection process. The staff representatives believed that the General Assembly, in its resolution 55/258, section VI (a), had envisaged that a substantive review of candidates' qualifications would take place. The current selection system lacked transparency, violated the due process rights of staff (since there was no appeal process) and lacked the requisite checks and balances to ensure safeguards and fairness. The staff representatives requested that the Fifth Committee should consider providing a clear interpretation of the General Assembly's decision in resolution 55/258, in particular whether a substantive review on the merits of the applicants was anticipated.

11. The Organization had yet to establish concrete measures for individual accountability. It was essential that areas with expanded delegation of authority for personnel decisions, such as the Department of Peacekeeping Operations and the Office of Internal Oversight Services (OIOS), should be carefully examined and, if abuses were found, that authority should be revoked. The staff representatives fully supported the position on accountability expressed by the Advisory Committee in its report. The Office of Human Resources Management had informed the Staff Union that it was unable to enforce accountability because it lacked central authority. The Fifth Committee might wish to recommend that concrete individual accountability measures should be developed on a priority basis, in consultation with staff representatives.

12. The introduction of continuing appointments would improve the situation of staff currently on fixed-term appointments. However, such a measure should be included in the Staff Rules and Regulations as an addition, not as a replacement for permanent appointments. Furthermore, unless the grounds for termination of continuing appointments were clearly defined, the staff would be vulnerable to abuse since their contracts could be terminated at any time in the interests of the Organization. That would create an atmosphere where the staff were loyal to an individual programme manager rather than to the Organization.

13. References in management documents to "staff" and "focus groups" did not mean consultation with staff representatives as mandated under chapter VIII of the Staff Regulations and Rules; town-hall meetings were also a means of circumventing those Rules. There had been no staff-management consultation on the OIOS report on the availability in local labour markets of the skills for which international recruitment for the General Service category took place (A/59/388). The working groups established to review that issue had all concluded that there were insufficient local candidates. The proposal, if adopted, would force candidates from other countries to travel to the United States, seek visas privately and reside there for the time of recruitment, all at their own expense. They would remain international workers, since they would not have permanent residency in the United States, but they would be forced to present themselves as locals to be hired. Regarding the OIOS report on the impact of the human resources management reform (A/59/253), staff representatives had been consulted at only two meetings and most of the time at the second meeting, every statement made by the staff representatives had been challenged. The Staff Union had sent a formal letter to the Under-Secretary-General for Internal Oversight Services requesting that OIOS should not portray those meetings as "consultation".

14. Detailed information on the views of the staff was available in the relevant report to the Fifth Committee (A/C.5/59/4). The Staff Union had been undergoing its

own reform over the past two years, professionalizing its work, utilizing external experts and trying to ensure that its legal framework was appropriate and its policies sound. Modern human resources management strove to build a strategic partnership between staff unions and management. The Staff Union had no desire to co-manage the Organization. It was aware of its limitations and fully respected the authority of the Secretary-General. However, the staff members it represented were the major stakeholders in matters that affected the conditions of service. Taking into consideration their views, based on actual work experience, before taking decisions, was not co-management but, rather, good management.

15. **Mr. Jonah** (Sierra Leone) recalled that he had directed a number of offices and departments within the Organization, and that he was personnel chief in 1978 when a series of reforms had been instituted. In that connection, he had helped to establish the Staff-Management Coordination Committee. He therefore noted with concern the erosion of the international civil service and the serious repercussions that had had, as evidenced especially by the lengthy study on the perception of integrity. Some of the reforms adopted had considerably weakened the Secretariat. It was enough to read newspapers in all parts of the world to be aware of what people thought about the United Nations and its staff. However unjust it might be, that impression was nevertheless simply the result of the steps that had been taken to weaken some provisions of the Staff Regulations and Staff Rules.

16. The Committee had come to see that the greatest resistance to reform came from programme directors. It was hard to believe that the international civil service could be strengthened by giving them more power. The staff representatives had correctly pointed out that the Office of Human Resources Management lacked authority, which jeopardized the application of the Staff Rules and fair management practices. The Committee would have to bear that in mind, recalling also that it was the steady weakening of its secretariat in particular that had caused the League of Nations to fail.

17. The international civil service depended essentially on its permanent staff. There was, of course, some dead wood, as in all administrations. Nevertheless, a decision to abandon the practice of granting permanent contracts had to be approached with the greatest caution, because the independence of international civil servants flowed directly from that practice. The Committee should not only hear the views of the staff, but also listen to them most attentively.

18. **Mr. Van Schalkwyk** (South Africa) noted, as had the representatives of the Group of African States and the Group of 77 and China, that staff-management relations did not seem to be on a very good footing. Yet it would not be possible to reform the management of human resources unless the staff was completely on the side of reform. In any case, the Organization ought to be able to count on well-trained and motivated personnel who were devoted to its objectives.

19. **Ms. McCreery** (Assistant Secretary-General for Human Resources Management) said that she had taken note with interest of the different views expressed by the Groups of States, by many delegations and by its partners in human resources management reform at the United Nations, namely, the staff as represented by the President of the Staff Union, the Office of Internal Oversight Services, which had prepared an important report on the impact of the human resources management reform (A/59/253), the Joint Inspection Unit and the Advisory Committee. In response to the remark by the Turkish delegation concerning the danger of weariness attendant upon a long process, she had no doubt that, given the determination of all parties, it would be possible to arrive at mutually satisfactory conclusions before reaching that stage.

Agenda item 117: United Nations pension system (*continued*) (A/59/9 and Add.1, A/59/447; A/C.5/59/11)

20. **Mr. Zellenrath** (Netherlands), speaking on behalf of the European Union, the candidate countries Bulgaria, Croatia, Romania and Turkey, the stabilization and association process countries Bosnia and Herzegovina, Serbia and Montenegro and the former Yugoslav Republic of Macedonia, as well as Iceland and Liechtenstein, said that the European Union attached great importance to the United Nations pension system and to the proper management and investment of the assets of the Pension Fund, amounting to $26.2 billion. It had noted with satisfaction the observations on the Fund's performance and the fact that the actuarial valuation of the Fund showed a positive result for the fourth time in succession. It also noted that the Fund was outperforming the benchmark and that its investments

in the developing countries had grown by 55 per cent. Nevertheless, the European Union urged it to be prudent in its investments and in the allocation of the surplus, owing to the fluctuations in currency markets and stock markets.

21. The European Union was pleased to note the improved cooperation between the Fund and the Office of Internal Oversight Services on the issue of internal audit arrangements, but was concerned that 11 of the 27 recommendations of the Board of Auditors in its report on the accounts of the United Nations Joint Staff Pension Fund for the biennium ended December 2001 (A/57/9, annex XII) had been only partially implemented, while nine of them had not been implemented at all. Although it was understandable that the Pension Board should refer the decision on the advisability of establishing an audit committee in 2005 to the Standing Committee so that the matter could be looked at carefully, the European Union expected to see the question resolved within two years. Like the Advisory Committee, the European Union was concerned at the upward trend in administrative expenditures.

22. **Mr. Kovalenko** (Russian Federation) said that, despite the asset appreciation, the actuarial valuation of the Pension Fund as at 31 December 2003 revealed less of a surplus than the time before, since it had decreased from 2.9 to 1.14 per cent of the pensionable remuneration. As the Pension Board had proposed, the General Assembly should not be asked to eliminate the economy measures adopted in the mid-1980s, and the only action should be, first, to put into effect some of the changes approved at its fifty-seventh session concerning the adjustment of pensions by the consumer price index, and also to modify the pension adjustment system so as to cope with any sharp devaluation of local currency in relation to the dollar. The Pension Board would have to monitor the results of the actuarial valuations closely and take them into account when recommending modification of the parameters of the pension system and the contribution rates.

23. The increase in the market value of the assets was a reflection as much of market trends as of appropriate decisions taken by the Investment Management Service. One of the advantages of the Pension Fund compared to other such funds was the broad diversification of its investments in terms of asset class, currency and region. It should continue to follow that policy by using the possibilities of the market to the utmost and meeting the criteria of safety, profitability, liquidity and convertibility set by the General Assembly in resolution 36/119 C.

24. The Russian Federation would continue to follow closely the deliberations on the size and composition of the Pension Board, given the need to guarantee its proper functioning. It was not opposed to applying original, constructive solutions to the question of modifying the distribution of seats among the three constituencies represented in the Pension Board and possibly increasing the representation of secretariat chiefs.

25. **Mr. Owade** (Kenya), noting with satisfaction that the size of the Fund had grown to a market value of over $27 billion, said that the 2006 session of the Board, to be held in Nairobi, would enable it to have a deeper appreciation of some of the unique challenges that participants from developing countries had to contend with. In the same vein, he urged the Fund and especially the Investments Committee to ensure that the Fund's investments were diversified in terms of geographical coverage while keeping to the guidelines of profitability, liquidity and convertibility, given that developing countries now offered tremendous opportunities and good returns on investments.

26. It was gratifying to note that the actuarial value of the Fund had continued to show a surplus, albeit on a declining trend. His delegation supported the caution expressed by the Board in paragraph 49 of its report (A/59/9) regarding any changes to the system, particularly in light of the volatile economic climate. He noted that the recommendation by the Committee of Actuaries to retain most of the surplus on the grounds of prudence had not been shared by the whole Board. The decision of the Board to restore a portion of the benefits was therefore one which his delegation could support as a confidence-building measure, considering the tripartite nature of the Board and the need to balance competing interests therein. He would like to remind the Board to bear in mind General Assembly resolution 53/210, in which the Assembly reiterated that no changes should be introduced until there was a clear upward trend of surplus in future valuations.

27. On the question of size and composition of the Board, he recalled that the Board had recommended that its membership should be increased from 33 to 36 without any corresponding increase in the number of

alternates. The General Assembly had not approved that recommendation but had requested the Board to study the matter further. Without prejudice to the conclusion of the Working Group charged with considering the matter further, his delegation was of the view that the tripartite nature of the Board must not be upset, that efficiency must not be sacrificed, and that any proposals that affected the membership of the Board and the number of members appointed by the General Assembly must not compromise the principle of geographical distribution.

Agenda item 116: United Nations common system (*continued*) (A/59/30 (vol. I and II), A/59/153, A/59/399, A/59/429 and A/59/522)

28. **Mr. Iossifov** (Russian Federation) noted that to date, only one of the four models envisaged in the pilot study on broadbanding and pay-for-performance had been tested. He was afraid that might undermine the work, particularly since the recommendation which the International Civil Service Commission (ICSC) would submit to the General Assembly on the question would need to be supported by tangible results proving that the proposed pay and benefits system would be more efficient than the one currently in force and that it would not entail additional expenditures for Member States. It was also important to ensure that the review of the benefits system would lead to recommendations that would improve and simplify allowances overall and, if possible, reduce their cost. His delegation supported the Commission's decision in principle to delink the mobility and hardship scheme from the base/floor salary scale.

29. He recalled that it was the prerogative of the General Assembly to decide whether to develop a Senior Management Service and that only the Commission had the authority to make recommendations on the subject. The United Nations System Chief Executives Board for Coordination (CEB) was not qualified to authorize, as it had in April 2004, the development of such a mechanism. None of the explanations given by the Secretariat, to the effect that the Senior Management Service would consist of a "network" similar to a professional association, held water. Before the Committee for Programme and Coordination (CPC) had reviewed the CEB decision at its July 2004 session, the Secretariat had referred to it only as a "training programme" and a "management tool". At the fifty-seventh session of the General Assembly, his delegation had warned the Fifth Committee of the harmful effect that the development of such a "club" within the United Nations might have on recruitment from outside the Organization and on the career prospects of staff members who did not belong to it. Since then, no specific information had been provided with regard to the composition of the Senior Management Service, the selection of its members or its powers. Being beyond the control of Member States, decisions concerning the development of the Service could have far-reaching effects on the human resources management policies of the organizations participating in the common system. His delegation hoped that the Committee would continue to consider the question, under the aegis of the Commission.

30. Recalling the need to apply strictly the Noblemaire principle, according to which the salaries of staff in the common system were determined by reference to those applicable in the civil service of the country with the highest pay levels, he said his delegation felt that it would not be helpful, at the current stage, to engage in comparisons with the private sector or use the conditions of employment of other international organizations as a reference point. His delegation wished to stress the central role of the Commission and of the General Assembly in decision-making relating to conditions of employment in the organizations participating in the common system. The management and staff of the organizations should, of course, be consulted, but it was up to the Member States to exercise strict control in that area. Finally, with regard to the report of the Panel on the Strengthening of the International Civil Service, he said that it seemed that the implementation of some of the recommendations, particularly those relating to the Commission's working methods, would have the effect of transforming ICSC into a tripartite Commission. That was not envisaged in the Commission's statute and had the potential to undermine the effectiveness of its work.

31. **Mr. Garcia** (United States of America), referring to the proposed broadbanding and pay-for-performance systems, said his delegation feared that work on the pilot study could be undermined if the performance appraisal system used by the participating organizations was unproven and was not acceptable to all parties. In the context of the pilot project, thought must be given to how grade equivalencies would be

compared and how the system would track career progression under broadbanding.

32. His delegation believed that, absent evidence of recruiting and retention problems within the United Nations, changes to the Noblemaire principle at the current stage were not needed. It supported the 2004-2006 allowances and benefits review schedule, which would determine the highest paid civil service, including a comparison between the United Nations and the United States federal civil service. His delegation also noted that ICSC would complete its grade equivalency review between the two civil services in 2005 and it looked forward to the report on the question, to be submitted in 2006.

33. Noting that the issue of contractual arrangements was currently on the agenda of the Commission, he urged the Commission to complete its review expeditiously so as to enable Member States to define their positions on the issue, which had become a crucial one in view of changing priorities, and so that they would have the necessary information to consider the proposal to be submitted by the Secretary-General to the General Assembly at its sixtieth session. His delegation welcomed the Commission's efforts to reconcile work and family life responsibilities, including the introduction of paternity leave benefits. Nevertheless, it believed that the Commission's recommendation exceeded the comparator standard and would be an excessive extended absence for a staff member. His delegation recommended the adoption of an arrangement that would allow for the two parents to share the four months currently provided for maternity leave. It welcomed the Commission's decision to delink mobility from hardship, as well as to delink those allowances from the base/floor salary scale. He trusted that the Commission's working group would focus on other options to encourage mobility. Although his delegation did not fully agree with some of the recommendations included in the report of the Panel on the Strengthening of the International Civil Service (A/59/153), it believed the report demonstrated a commitment by its authors to strengthen the management of human resources and enhance competitiveness, mobility and security within the common system.

34. **Mr. Hao** Bin (China), deploring the late issuance of the report of the International Civil Service Commission (A/59/30, vols. I and II), welcomed the progress achieved in the implementation of the pilot study on broadbanding and pay-for-performance, particularly in the completion of the framework for the pilot study, its commencement and the increase in the number of participating organizations. That demonstrated the desire of the executive heads of the organizations in the common system to reform the current pay and benefits system and improve performance. Apart from the need to further refine the criteria for success as the pilot study progressed in order to render the study more relevant and practical, ICSC should provide participating organizations with the necessary support to enable them to effectively complete the study within the set time frame.

35. Nearly 60 years of experience had proved that conditions of service in the international civil service had a strong appeal for job seekers with a public service calling. The common system salaries remained highly competitive and the Noblemaire principle, which determined the conditions of service by reference to those applicable in the civil service of the comparator, was the best acceptable formula in the current circumstances. China was of course not opposed to the study by ICSC on ways of adapting the Noblemaire principle to the new requirements of the twenty-first century in the light of civil service reforms carried out in various countries. Indeed, reform in the pay and benefits system, as an integral part of human resources management, should take into consideration the element of performance. However, the proposal of the Panel on the Strengthening of the International Civil Service to use the private sector or international financial institutions as comparators was not a responsible one. Given the intergovernmental and international nature of the participating organizations of the common system, the conditions of service of their staff should be determined by reference to those applicable in the civil service of the comparator country. While the Panel's report (A/59/153) contained some interesting ideas, his delegation was disappointed that the Panel had not conducted a comprehensive and systematic study, nor demonstrated the professionalism expected of it. Modernizing human resources management called for close cooperation among ICSC, the executive heads of the organizations and staff, under the leadership of the General Assembly. His delegation therefore called upon all parties to enhance their coordination with a view to giving the United Nations agencies the means to achieve their objectives.

36. **Mr. Yamamoto** (Japan) said that his delegation expected ICSC to continue to play a key role in the reform of human resources management. The common system must be maintained, since it not only allowed each participating organization to avoid establishing its own administrative arrangements but also ensured consistent conditions of service throughout the system, thus eliminating unnecessary competition. Noting the independence of ICSC, the technical nature of the matters it dealt with and the importance of continuity and accumulated experience, he agreed with ICSC that it could not support the recommendation of the Panel on the Strengthening of the International Civil Service to limit the terms of office of Commission members.

37. While he welcomed the ongoing effort to launch the pilot study on broadbanding/reward for contribution, he wished to point out that a fair and reliable performance appraisal system and measures to prevent personnel costs from soaring would be required and that the pilot study must not entail additional costs.

38. The Noblemaire principle continued to play its role, which was to enable the international service to recruit and retain staff members from all Member States by offering them competitive conditions of service established following comparison with the comparator civil service. There was therefore no need for a review. He supported the decision of ICSC to separate the mobility element from the hardship element and to delink the allowance from the base/floor salary scale in order to encourage greater mobility. Japan believed there was a need for ICSC to compare remuneration of United Nations staff and United States federal civil servants and undertake a comparison of total remunerations in 2005-2006 to determine the highest paid civil service.

39. While it was important to strengthen management, a Senior Management Service was not the only avenue worth exploring. It was premature to make a decision before agreeing on a specific plan. His delegation therefore supported the decision of ICSC to develop its thinking further on how to strengthen management before deciding whether to establish a Senior Management Service.

40. **Mr. Torres Lépori** (Argentina), supported by **Mr. Pulido León** (Venezuela), said that independence and objectivity, the hallmarks of the Commission's work, were a guarantee of its smooth functioning. Argentina supported the maintenance of the common system as far as remunerations and pensions were concerned and therefore supported measures in that regard. Argentina was also of the view that the Noblemaire principle should be used to establish salary scales, retaining a margin that would enable those organizations to recruit high-calibre staff.

41. **Ms. Udo** (Nigeria) said that her delegation intended to monitor certain issues very closely, especially those raised by the United States representative with respect to broadbanding and the performance appraisal system, which she trusted was well designed.

42. **The Chairman**, referring to General Assembly resolution 35/213 and to the decision taken by the Committee at its 13th meeting, invited the President of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) and President of the Federation of International Civil Servants' Associations (FICSA) to make a statement.

43. **Ms. Waters** (President of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA)) said that, as an active participant in the Inter-Agency Security Management Network, CCISUA, whose views on staff security had been respected, if not always accepted, found it inconceivable that the proposed review and restructuring of the security management system had been undertaken without consultation with staff representatives. The proliferation of high-level posts in a Directorate of Security would only diffuse accountability and make it easier to rest responsibility for errors on middle-level managers. That would lead to the institutionalization of "collective accountability", a concept which the staff representatives completely rejected. The Organization needed to have technically competent staff in the field with proven experience in hardship areas. It was better to rely on guidance from the collective wisdom of experts the world over rather than on a select group of experts from a limited number of Member States. In London, in March 2004, CCISUA had presented to the High-level Committee on Management (HLCM) a well-researched proposal and resolution on security, but there had been no reaction or even a request for clarification.

44. Such a management attitude was at variance with Staff Regulation 8.1 (a) which mandated the Secretary-General to ensure the effective participation of the staff in identifying, examining and resolving issues relating to staff welfare, including conditions of work, general conditions of life and other personnel policies. It was staff members who were left injured or killed and it was therefore unacceptable that they had not been consulted on so important an issue. CCISUA urged members of the Fifth Committee to ensure that the voice of the staff was heard and that consultations with the staff took place on security issues in accordance with the prevailing rules.

45. Contractual arrangements played a vital role in the Organization's effort to recruit and retain staff and job security was the cornerstone on which the independence of the international civil service was built. A distinction needed to be drawn between the basis of such an international civil service and the failure of management to inspire the staff to exercise initiative, to reward personal excellence with career development and to take action in cases of proven underperformance. The failure of management to develop an appropriate personnel management system should not jeopardize the rights of the staff, who should feel free to take action in the best interests of the Organization without fear of losing their livelihood.

46. With reference to the establishment of a Senior Management Service, Member States should look very closely at the cost of that Service and the manner in which its acquired competencies would filter downwards throughout the system. Experience had shown that management training sessions and consultancy surveys and studies had yet to deliver a modern management environment.

47. The Coordinating Committee was disappointed at the decision of ICSC to separate the mobility allowance from the hardship allowance and to delink both allowances from the base/floor salary scale. That initiative could only discourage those who were willing to travel anywhere at any time to carry out the mandates of the Organization and serve the people of the world. The Coordinating Committee looked forward to participating in the Working Group set up to develop various options for compensating staff for service at hardship duty stations and for encouraging mobility.

48. The Coordinating Committee unreservedly supported the view, expressed by the Panel on the Strengthening of the International Civil Service in its letter dated 6 July 2004 by which it had transmitted its report to the Secretary-General, that competitive conditions of employment, together with effective human resources management based on modern management practices, were crucial elements for strengthening the international civil service. The Panel had expressed concern at recent trends towards the erosion of some conditions of employment and had recommended that they should be reversed. As staff representatives, CCISUA fully supported that position.

49. **The Chairman** said that, since the President of the Federation of International Civil Servants' Associations (FICSA) was not present, Ms. Waters had agreed to read out his statement.

50. **Ms. Waters**, speaking on behalf of the Federation of International Civil Servants' Associations, said that staff security was an issue of particular concern. Clearly, since the attack in Baghdad in August 2003, the United Nations had become a target and both FICSA and CCISUA had communicated to the Secretary-General their concern about the deployment of civilian staff to Iraq. They had taken note of the clarifications contained in the reply received on 18 October, which had referred to the possible arrival of additional contingents authorized under Security Council resolution 1546 (2004). The Secretary-General had recently stated that the same Governments which were asking him to send civilian staff to Iraq were refusing to provide those contingents and that for any further deployment of staff, there must be an improvement in the security situation or solid arrangements for the protection of the staff. While FICSA appreciated that assessment, it would remain vigilant.

51. Another subject of concern was the safety of staff serving with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The risk level had been heightened by recent events that had made UNRWA the target of allegations. The Federation called on Member States to create enabling conditions that would allow UNRWA to fulfil its mandate, and to take all necessary measures to ensure the health, well-being and lives of UNRWA staff and their families.

52. Turning to the efforts being made to reform the security management system, she said that, while FICSA would have welcomed a greater degree of consultation on that initiative, it viewed with satisfaction the proposals that the Secretary-General had made in his report (A/59/365) in which he had called for an enhanced unified security management structure. The Federation urged Member States to provide funding for the new structure, which should ensure an equitable, consistent and sustainable level of protection to all system staff regardless of their agency.

53. The Federation had participated fully in both sessions convened by ICSC in 2004 and its position on the issues considered were reflected in volume I of the Commission's report (A/59/30). Although it had never been opposed to the principle of necessary reforms, FICSA was seriously concerned about the current review of the pay and benefits system. It was firmly opposed to broadbanding and pay-for-performance for several reasons, including the difficulty of maintaining system-wide consistency and pay equity, the risk of arbitrary job assignments and the possibility of inequitable post classifications. Contrary to the arguments advanced, FICSA believed that teamwork would be eroded as staff competed with each other for raises. Few managers had been trained to manage performance and those yet to be trained might not be too receptive. Moreover, the foundation of the new type of pay system would be a credible performance system, something which was sorely lacking in the common system. Above all, the proposed new type of pay system would entail reliance on managerial discretion and that could increase the risk of cronyism and favouritism.

54. The Federation was also deeply concerned that ICSC had undertaken its pilot studies without having analysed the impact of such pay systems on public services outside the United Nations system. According to the Federation's own research, there was little evidence that such pay systems improved staff effectiveness or even motivation. The organizations that had volunteered to participate in the pilot studies all seemed to have adopted a flexible approach, which had led FICSA to wonder whether the Commission's guidelines and framework would be followed. If they were not, a proper evaluation of the pilots could not take place.

55. With regard to the mobility and hardship allowance, FICSA believed that the scheme, introduced after thorough deliberation in 1989, had rewarded staff fairly for being mobile and working in hardship duty stations. At the request of the General Assembly, however, the Commission had reviewed the scheme on the grounds that the cost had become unacceptable. It had decided to separate the two elements and to delink both hardship and mobility from the base/floor salary scale. It was extraordinary that such cost-saving measures should be taken at a time when efforts were under way to seek ways to remunerate staff that would enable organizations to attract staff and increase mobility. The Federation supported the culture of mobility and rewards for staff who accepted hardship postings. It therefore strongly believed that the mobility and hardship allowance should not be delinked from the base/floor salary scale, nor should the value of the allowance be reduced.

56. At the ICSC summer session, FICSA had again raised the issue of hazard pay for UNRWA area staff in Gaza and the West Bank. The Commission had reaffirmed its support for hazard pay but had reiterated that the responsibility rested with the Commissioner-General, who had unsuccessfully tried to persuade donors to provide the necessary funds. The Federation therefore implored the General Assembly, in the interests of fairness, to address such discrimination against UNRWA area staff. One solution, which would not be expensive but which would have a significant effect on staff morale, would be to make a special annual allocation for that purpose.

57. The Federation took note of the Commission's recommendation for an increase of 1.88 per cent to the base/floor salary scale for staff in the Professional and higher categories, with effect from 1 January 2005, on a no-loss/no-gain basis. It did not support lowering the level of the scale, which had already been restricted by the Federal Administration's decision to disqualify locality pay in Washington, D.C.

58. At the Commission's summer session, FICSA had taken note of the margin forecast for 2004 and presented a paper demonstrating that the average margin over the past 10 years (1995-2004) had been 12.5 per cent and over the past five years (2000-2004) 11.2 per cent. Both averages were below the desirable midpoint of 15 per cent. Considering that 63 per cent of current Professional staff had been serving for 10 years or less, the figures indicated that more than half of such staff had earned less than the level indicated as "desirable" in various resolutions. To allow salaries to

catch up, FICSA had proposed that the margin should be set at 18.8 per cent for the next five-year period (2005-2009) or at 17.5 per cent over the next 10 years.

59. FICSA had submitted written comments to ICSC confirming staff support for three types of contract: short-term, fixed-term and permanent. In order to retain an independent international civil service, permanent contracts must remain available. Staff on fixed-term contracts should also be given the opportunity to convert to permanent contracts. At the same time, the organizations would need to be able to hire some employees for short periods, so long as such contracts were not used to cover long-term needs and did not result in unfairness among staff members.

60. Despite what some people thought, job security was extremely important for both local and international staff because of the consequences of termination. Insecure contractual conditions often resulted in appeals lodged with the administrative tribunals. They could also have an impact on the health of staff, causing stress-related illness, and impede access to health insurance benefits. For international staff who had spent the greater portion of their working lives as expatriates, there was the added complication that they were often not fully settled in the host country but were no longer at home in their own. The Commission had been right to wish to simplify contractual arrangements, but the General Assembly should ensure that the opportunity to make a career in the United Nations system was not jeopardized.

61. With regard to the report of the Panel on the Strengthening of the International Civil Service, she recalled that FICSA had supported the review of the Commission's consultative process, requested by the General Assembly in 1995 in resolution 49/223, and the conclusion by the former Administrative Committee on Coordination (which had been replaced by the Chief Executives Board) that a key element in reforming ICSC was the selection of its members. The frustration engendered by the slow process of reform had led to the adoption in 2002 of a decision clearly requiring that the review should be conducted. FICSA had been fully prepared to participate, in view of the fact that one aim of Action 18, in document A/51/950, was to enhance staff-management communication and consultation with a view to maximizing staff contributions to the reform process and enhanced organizational performance.

62. The Secretary of the High-level Committee on Management had written to both staff federations on 22 March 2004, inviting their views on measures that should be taken to strengthen the Commission and to equip it, within the framework of its statute, with the necessary resources to implement its tasks, while ensuring its independence, impartiality and effectiveness. The Federation had submitted its comments in writing to the Panel through the Secretariat of the Chief Executives Board for Coordination in April 2004. In view of the Panel's terms of reference and the reason for the review, FISCA had commented only on the structure and functioning of ICSC.

63. The Federation had received a copy of the Panel's report in July 2004 during the meeting of the Human Resources Network. While considering that recommendations 1 to 8 could have been further developed, FICSA had welcomed them as a first stage in the review process. It had, however, been bewildered by the remaining recommendations, since they seemed not to adhere to the terms of reference set forth in document A/57/612 but rather to have been made on the basis of the Panel's own interpretation of its mandate, as indicated in paragraph 15 of the report, which stated that the Panel had decided to focus on concrete measures to strengthen the management of human resources, among other issues. The Federation would have preferred the Panel to abide by the General Assembly's request and analyse the role and main characteristics of the international civil service. In that process FICSA would have wished to participate. The Panel had primarily been mandated to consider the measures that should be taken to enable the Commission to review conditions of service in the common system and make recommendations thereon; it had not been mandated to make such recommendations itself. Therefore FICSA urged Member States to focus on recommendations 1 to 8 and to disregard the others, which related to issues on the programme of work of ICSC and were within the Commission's terms of reference.

64. **Ms. Goicochea** (Cuba) said it was most important that staff representatives should be able to express their views and enrich the discussion. She had noted with interest the information provided on staff security. She was deeply concerned by the proposals submitted in connection with the consideration of human resource management and the Commission's

report, in particular with regard to the structure of broadbanding and pay-for-performance. She supported the comments by the Nigerian delegation: in the absence of an assessment system for officials that was more reliable than the current procedure and a proper system for the administration of justice, the proposals could lead to the application of subjective criteria and arbitrary decisions by the Administration. She also had reservations concerning the development of a Senior Management Service, recalling that the issue had been considered by the Committee for Programme and Coordination and by the Fifth Committee but had not been the subject of a General Assembly decision.

65. **Mr. Elji** (Syrian Arab Republic) said that no reform could be successfully conducted unless there was real cooperation with the staff. It was therefore essential that the staff should participate in decision-making and that the Administration should respond adequately to the staff's needs.

66. **Ms. Udo** (Nigeria) said that her delegation would examine very carefully all the points raised in the statements by the staff representatives, some of whose concerns it shared.

67. **Mr. Jonah** (Sierra Leone) recalled the important role played by ICSC in the proper functioning of the international civil service. He noted with satisfaction the quality of the statements by the two staff representatives and the spirit of cooperation that they had demonstrated.

68. **Mr. Bel Hadj Amor** (Chairman of the International Civil Service Commission) said that throughout the pilot study, ICSC would cautiously evaluate the proposals for the review of the pay and benefits system. As to how the Commission's three-year schedule could allow it to consider all allowances, he said that it was generally recognized that expatriate entitlements represented 20 per cent of the total compensation package, with salary and pension representing 80 per cent. ICSC had drawn up a schedule for their consideration and had begun with the largest components, namely the education grant and the mobility and hardship scheme. The objective was to link the compensation package to the ongoing reform efforts of the organizations.

69. ICSC had once again addressed the question of payment of the education grant for post-secondary education. The comparator civil service provided cost-free secondary education and higher education was fully subsidized for expatriates, while the common system subsidized 75 per cent of costs. A detailed comparison of grants awarded by the comparator and the United Nations common system showed that the former had an advantage in many cases. Furthermore, many European Member States provided higher education at no cost and some international organizations provided subsidies through the Master's degree.

70. With regard to the Noblemaire principle, the issue of comparing the compensation package of some international organizations to that of the common system was not new. In the mid-1990s, the General Assembly had approved the proposal of the Commission to include two international organizations in the study, namely the World Bank and the Organization for Economic Cooperation and Development (OECD). The results had shown that net salary levels for those two organizations were some 30 to 50 per cent higher, respectively, than those in the common system. The comparator civil service had conducted a similar study which had led it to the same conclusions. The current review of the Noblemaire principle would begin in summer 2005.

71. The Commission had addressed the competitiveness of common system salaries on numerous occasions, at the request of the organizations. The only detailed information they had reported to the Commission regarding their difficulties with recruitment had demonstrated some isolated problems in certain areas. The discussion of that question was summarized in paragraphs 265 and 266 of the report. The Commission was working with staff and organizations to establish a set of guidelines for contractual arrangements and would report to the General Assembly when they were completed. If the proposal was accepted, the United Nations should adjust its approach in order to support the coherence of the common system.

72. The Commission noted that many of the recommendations of the Panel on the Strengthening of the International Civil Service were in line with the decisions adopted by the Commission at its most recent sessions. Still, its members were unanimous in their doubts concerning other recommendations. In his personal capacity, he had expressed similar reservations to the Panel, of which he was an ex-officio member, but he had decided to join the consensus.

73. The functioning of the Commission had been reviewed on several occasions at the end of the 1980s and in the early 1990s in implementation of General Assembly resolutions 42/221, 43/226 and 44/198, and many improvements had been introduced, sometimes as a result of concerns the Commission had expressed at its own functioning. Throughout 30 years of existence, the Commission had never lost sight of the complexity of its mandate, which required technical competence, impartiality and independence. It had endeavoured to maintain a carefully balanced appreciation of the interests of all parties concerned, at the risk of generating intense controversy if those interests conflicted. No selection process for membership in the Commission could be a substitute for election; it would constitute an unacceptable infringement on the prerogatives of the General Assembly. The election of ICSC members had served to ensure their impartiality, a concern which the Commission shared with Member States.

74. The recommendation concerning term limits was not a minor adjustment, but an attempt to revise article 5 of the statute of the Commission, which would certainly weaken it. It took some time for a member of the Commission to become knowledgeable on the range of complex issues to be dealt with. Term limits would provide an unfair advantage to the representatives of other interlocutors with years of experience. With regard to the length of sessions, they had already been reduced by two weeks some years earlier and a further reduction would require shortening the agenda in order to avoid delays in addressing issues. Establishing working groups would not solve the problem because of budgetary constraints and lack of available members.

75. With regard to the Senior Management Service, he reiterated his statement of 27 October. The Commission had not considered the matter, which had to do with salaries and indemnities, a priority, but it had nevertheless followed closely the work of the Chief Executives Board. Moreover, while recognizing that the Board could take steps to strengthen the management capacity of executive heads, ICSC stated that it alone was authorized to recommend the establishment of such a body and that the decision should be taken in the General Assembly.

76. **Mr. Weisell** (Federation of International Civil Servants' Associations) thanked the Chairman of CCISUA for having read the Federation's statement. He was available to participants to answer their questions.

77. **Ms. Goicochea** (Cuba) said that the problem with the establishment of the Senior Management Service was precisely that the Administration had taken action before the General Assembly had reached a decision.

Organization of work

78. **Ms. Udo** (Nigeria) was surprised that the Fifth Committee had held a meeting at a time when several of its draft resolutions were being considered in the plenary of the General Assembly. Members of some delegations had not been able to attend the beginning of the current meeting to hear the statement by the President of the Staff Union in particular, which dealt with very important issues, because they did not have enough members to cover two meetings.

79. **The Chairman** said that the meeting had been scheduled to prevent the Committee from falling further behind in its work, and on the understanding that the draft resolutions submitted to the General Assembly had been adopted by consensus. Nevertheless, he proposed that members of the Committee could consider the question in informal consultations in order to decide whether it could hold a formal meeting while the General Assembly was considering draft resolutions it had submitted.

80. **Mr. Jonah** (Sierra Leone) recalled that, unfortunately, the problem was not new. The Committee should not meet when the Assembly was considering its draft resolutions. Moreover, it was not the Member States but the Secretariat that must address the matter.

81. **Mr. Abelian** (Secretary) said that, for various reasons, the General Assembly had been unable to consider the draft resolutions submitted by the Committee at an earlier date. The deadline it had set for taking decisions on those matters, several of which concerned the financing of peacekeeping operations, had been set for that day, and therefore the items had to be considered.

82. **The Chairman** said that, from 1 to 11 November, meetings would be held from 9.30 to 12.30 and from 2.30 to 4.30. The Secretary-General would submit his report on the strengthened and unified security management system for the United Nations (A/59/365)

on 1 November and the debate would be held on 3 and 4 November.

83. Ms. Udo (Nigeria) asked for clarification on the procedures for the participation of staff representatives in the consideration of the common system and human resources management.

84. Mr. Abelian (Secretary of the Committee) said that, in accordance with General Assembly resolution 35/213, staff representatives would respond in writing to questions from delegations.

85. Ms. Goicochea (Cuba) would like to know when delegations would receive the report of the Advisory Committee on security, given its importance and the high costs predicted.

86. Mr. Abelian (Secretary of the Committee) said that the report of the Advisory Committee (A/59/539) would be distributed to the mailboxes of Member States on Monday, 1 November at 6 a.m.

87. Ms. Goicochea (Cuba) said that the time between the issuance of the report and its consideration by the Committee was not sufficient.

88. The Chairman said that it had not been possible to postpone the statement by the Secretary-General, but the general debate had been postponed to allow delegations to study the report of the Advisory Committee.

The meeting rose at 12.50 p.m.